

SENATE BILL NO. 424

INTRODUCED BY NELSON

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4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING SCHOOL FINANCE; PROVIDING FOR
5 ANNUAL INFLATION-RELATED ADJUSTMENTS TO THE BASE FUNDING PROGRAM AMOUNTS FOR
6 SCHOOL DISTRICT BASIC ENTITLEMENTS AND PER-ANB ENTITLEMENTS; INCREASING THE BASIC AND
7 PER-ANB ENTITLEMENTS FOR PUBLIC SCHOOLS FOR SCHOOL FISCAL YEAR 2004 AND SUCCEEDING
8 YEARS; INCREASING SCHOOL FACILITY ENTITLEMENTS; DEFINING "FACILITY GUARANTEED MILL
9 VALUE PER ANB"; CHANGING THE WAY IN WHICH A SCHOOL DISTRICT OR COOPERATIVE CHARGES
10 EMPLOYER CONTRIBUTIONS FOR RETIREMENT, SOCIAL SECURITY, AND UNEMPLOYMENT
11 INSURANCE; TERMINATING THE COUNTYWIDE SCHOOL RETIREMENT BLOCK GRANTS; REVISING THE
12 SCHEDULE FOR STATE AND COUNTY TRANSPORTATION REIMBURSEMENT; ELIMINATING WEIGHTED
13 RIDERSHIP; REVISING THE SCHEDULE FOR STATE AND COUNTY TRANSPORTATION REIMBURSEMENT;
14 ELIMINATING WEIGHTED RIDERSHIP; ESTABLISHING THREE SEPARATE BLOCK GRANTS; ALLOWING
15 THE COMBINED FUND BLOCK GRANT TO BE DEPOSITED IN CERTAIN SCHOOL DISTRICT FUNDS ANY
16 BUDGETED FUND OF THE DISTRICT; AMENDING SECTIONS 20-9-306, 20-9-366, 20-9-370, ~~AND~~ 20-9-371,
17 ~~20-10-101, AND 20-10-141,~~ 20-9-501, 20-9-542, 20-10-101, AND 20-10-141, MCA; AMENDING SECTION 25
18 SECTIONS 25 AND 26, CHAPTER 13, LAWS OF 2002; REPEALING SECTIONS 20-10-127 AND 20-10-128,
19 MCA; AND PROVIDING AN EFFECTIVE DATE DATES, AND AN APPLICABILITY DATE DATES, AND A
20 TERMINATION DATE."

21
22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

23
24 **NEW SECTION. SECTION 1. ANNUAL INFLATION-RELATED ADJUSTMENTS TO BASIC ENTITLEMENTS AND**
25 **PER-ANB ENTITLEMENTS. (1) ~~THE~~ IN PREPARING AND SUBMITTING AN AGENCY BUDGET PURSUANT TO 17-7-111 AND**
26 **17-7-112, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL DETERMINE THE INFLATION FACTOR FOR THE BASIC AND**
27 **PER-ANB ENTITLEMENTS IN EACH SCHOOL FISCAL YEAR BY DIVIDING THE CONSUMER PRICE INDEX FOR JULY 1 OF THE**
28 **CURRENT SCHOOL FISCAL YEAR BY THE CONSUMER PRICE INDEX FOR JULY 1 OF THE PRIOR SCHOOL FISCAL YEAR OF THE**
29 **ENSUING BIENNIUM. THE INFLATION FACTOR IS CALCULATED AS FOLLOWS:**

30 **(A) FOR THE FIRST YEAR OF THE BIENNIUM, DIVIDE THE CONSUMER PRICE INDEX FOR JULY 1 OF THE PRIOR**



1 CALENDAR YEAR BY THE CONSUMER PRICE INDEX FOR JULY 1 OF THE CALENDAR YEAR 3 YEARS PRIOR TO THE PRIOR
 2 CALENDAR YEAR AND RAISE THE RESULTING RATIO TO THE POWER OF ONE-THIRD; AND

3 (B) FOR THE SECOND YEAR OF THE BIENNIUM, DIVIDE THE CONSUMER PRICE INDEX FOR JULY 1 OF THE CURRENT
 4 CALENDAR YEAR BY THE CONSUMER PRICE INDEX FOR JULY 1 OF THE CALENDAR YEAR 3 YEARS PRIOR TO THE CURRENT
 5 CALENDAR YEAR AND RAISE THE RESULTING RATIO TO THE POWER OF ONE-THIRD.

6 (2) THE PRESENT LAW BASE FOR ~~K-12 PUBLIC EDUCATION~~ THE BASIC AND PER-ANB ENTITLEMENTS,
 7 CALCULATED UNDER TITLE 17, CHAPTER 7, PART 1, MUST CONSIST OF ANY ENROLLMENT INCREASES OR DECREASES PLUS
 8 THE INFLATION FACTOR CALCULATED PURSUANT TO THIS SECTION, NOT TO EXCEED 3% IN EACH YEAR, APPLIED TO BOTH
 9 YEARS OF THE BIENNIUM.

10 (3) FOR THE PURPOSES OF THIS SECTION, "CONSUMER PRICE INDEX" MEANS THE CONSUMER PRICE INDEX, U.S.
 11 CITY AVERAGE, ALL URBAN CONSUMERS, FOR ALL ITEMS, USING THE 1982-84 BASE OF 100, AS PUBLISHED BY THE BUREAU
 12 OF LABOR STATISTICS OF THE U.S. DEPARTMENT OF LABOR.

13

14 **SECTION 2. SECTION 20-9-306, MCA, IS AMENDED TO READ:**

15 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following
 16 definitions apply:

17 (1) "BASE" means base amount for school equity.

18 (2) "BASE aid" means:

19 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the
 20 general fund budget of a district; and

21 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,
 22 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and ~~up to~~ 40%
 23 of the special education allowable cost payment.

24 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the
 25 basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education allowable cost
 26 payment.

27 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may
 28 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through
 29 20-9-369.

30 (5) "BASE funding program" means the state program for the equitable distribution of the state's share

1 of the cost of Montana's basic system of public elementary schools and high schools, through county
 2 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in
 3 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

4 (6) "Basic entitlement" means:

5 (a) ~~\$213,819~~ \$216,171 for each high school district;

6 (b) ~~\$19,244~~ \$19,456 for each elementary school district or K-12 district elementary program without an
 7 approved and accredited junior high school or middle school; and

8 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with
 9 an approved and accredited junior high school or middle school, calculated as follows:

10 (i) ~~\$19,244~~ \$19,456 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of
 11 kindergarten through grade 8; plus

12 (ii) ~~\$213,819~~ \$216,171 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten
 13 through grade 8.

14 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement
 15 for the general fund budget of a district and funded with state and county equalization aid.

16 (8) "Maximum general fund budget" means a district's general fund budget amount calculated from the
 17 basic entitlement for the district, the total per-ANB entitlement for the district, and the greater of:

18 (a) 175% of special education allowable cost payments; or

19 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures
 20 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a
 21 maximum allowable ratio of 200%.

22 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted
 23 that is above the BASE budget and below the maximum general fund budget for a district.

24 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations:

25 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$5,205~~ \$5,262
 26 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through
 27 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

28 (b) for an elementary school district or a K-12 district elementary program without an approved and
 29 accredited junior high school or middle school, a maximum rate of ~~\$3,906~~ \$3,949 for the first ANB is decreased
 30 at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in

1 excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

2 (c) for an elementary school district or a K-12 district elementary program with an approved and
3 accredited junior high school or middle school, the sum of:

4 (i) a maximum rate of ~~\$3,906~~ \$3,949 for the first ANB for kindergarten through grade 6 is decreased
5 at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of
6 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

7 (ii) a maximum rate of ~~\$5,205~~ \$5,262 for the first ANB for grades 7 and 8 is decreased at the rate of 50
8 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800
9 receiving the same amount of entitlement as the 800th ANB."

10

11 **SECTION 3. SECTION 20-9-306, MCA, IS AMENDED TO READ:**

12 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following
13 definitions apply:

14 (1) "BASE" means base amount for school equity.

15 (2) "BASE aid" means:

16 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the
17 general fund budget of a district; and

18 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,
19 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and ~~up to~~ 40%
20 of the special education allowable cost payment.

21 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the
22 basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education allowable cost
23 payment.

24 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may
25 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through
26 20-9-369.

27 (5) "BASE funding program" means the state program for the equitable distribution of the state's share
28 of the cost of Montana's basic system of public elementary schools and high schools, through county
29 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in
30 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

1 (6) "Basic entitlement" means:

2 (a) ~~\$213,819~~ \$220,646 for each high school district;

3 (b) ~~\$19,244~~ \$19,859 for each elementary school district or K-12 district elementary program without an
4 approved and accredited junior high school or middle school; and

5 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with
6 an approved and accredited junior high school or middle school, calculated as follows:

7 (i) ~~\$19,244~~ \$19,859 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of
8 kindergarten through grade 8; plus

9 (ii) ~~\$213,819~~ \$220,646 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten
10 through grade 8.

11 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement
12 for the general fund budget of a district and funded with state and county equalization aid.

13 (8) "Maximum general fund budget" means a district's general fund budget amount calculated from the
14 basic entitlement for the district, the total per-ANB entitlement for the district, and the greater of:

15 (a) 175% of special education allowable cost payments; or

16 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures
17 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a
18 maximum allowable ratio of 200%.

19 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted
20 that is above the BASE budget and below the maximum general fund budget for a district.

21 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations:

22 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$5,205~~ \$5,371
23 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through
24 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

25 (b) for an elementary school district or a K-12 district elementary program without an approved and
26 accredited junior high school or middle school, a maximum rate of ~~\$3,906~~ \$4,031 for the first ANB is decreased
27 at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in
28 excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

29 (c) for an elementary school district or a K-12 district elementary program with an approved and
30 accredited junior high school or middle school, the sum of:

1 (i) a maximum rate of ~~\$3,906~~ \$4,031 for the first ANB for kindergarten through grade 6 is decreased
 2 at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of
 3 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

4 (ii) a maximum rate of ~~\$5,205~~ \$5,371 for the first ANB for grades 7 and 8 is decreased at the rate of 50
 5 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800
 6 receiving the same amount of entitlement as the 800th ANB."

7

8 **Section 4.** Section 20-9-366, MCA, is amended to read:

9 **"20-9-366. Definitions.** As used in 20-9-366 through ~~20-9-369~~ 20-9-371, the following definitions apply:

10 (1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school
 11 ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by 1,000,
 12 with the quotient divided by the total county elementary ANB count or the total county high school ANB count
 13 used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement
 14 amounts.

15 (2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an
 16 eligible district means the taxable valuation in the previous year of all property in the district divided by the sum
 17 of the district's current year BASE budget amount less direct state aid.

18 (b) "District mill value per ANB", for school facility entitlement purposes, means the taxable valuation
 19 in the previous year of all property in the district divided by 1,000, with the quotient divided by the ANB count of
 20 the district used to calculate the district's current year total per-ANB entitlement amount.

21 (3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base
 22 purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by
 23 140% and divided by 1,000, with the quotient divided by the total ANB amount used to calculate the school
 24 districts' current year total per-ANB entitlement.

25 ~~(3)~~(4) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax
 26 base ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means the sum of the
 27 taxable valuation in the previous year of all property in the state, multiplied by 175% and divided by the total sum
 28 of either the state elementary school districts' or the high school districts' current year BASE budget amounts
 29 less total direct state aid.

30 (b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school

1 ~~facility entitlement and~~ retirement guaranteed tax base purposes, means the sum of the taxable valuation in the
 2 previous year of all property in the state, multiplied by 121% and divided by 1,000, with the quotient divided by
 3 the total state elementary ANB count or the total state high school ANB amount used to calculate the elementary
 4 school districts' and high school districts' current year total per-ANB entitlement amounts."

5

6 **Section 5.** Section 20-9-370, MCA, is amended to read:

7 **"20-9-370. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following
 8 definitions apply:

9 (1) "School facility entitlement" means:

10 (a) ~~\$220~~ \$300 per ANB for an elementary school district;

11 (b) ~~\$330~~ \$450 per ANB for a high school district; or

12 (c) ~~\$270~~ \$370 per ANB for an approved and accredited junior high school or middle school.

13 (2) "State advance for school facilities" is the amount of state equalization aid distributed to an eligible
 14 district to pay the debt service obligation for a bond in the first school fiscal year in which a debt service payment
 15 is due for the bond.

16 (3) "State reimbursement for school facilities" means the amount of state equalization aid distributed
 17 to a district that:

18 (a) has a district mill value per ~~elementary~~ ANB that is less than the corresponding ~~statewide mill value~~
 19 ~~per elementary ANB or a district mill value per high school ANB that is less than the corresponding statewide~~
 20 ~~mill value per high school ANB~~ facility guaranteed mill value per ANB; and

21 (b) has a debt service obligation in the ensuing school year on bonds ~~for which the original issue was~~
 22 ~~sold after July 1, 1991.~~

23 (4) "Total school facility entitlement" means the school facility entitlement times the total ANB for the
 24 district."

25

26 **Section 6.** Section 20-9-371, MCA, is amended to read:

27 **"20-9-371. Calculation and uses of school facility entitlement amount.** (1) The state reimbursement
 28 for school facilities for a district is the percentage determined in 20-9-346(2)(b) times (1-(district mill value per
 29 ANB/~~statewide~~ facility guaranteed mill value per ANB)) times the lesser of the total school facility entitlement
 30 calculated under the provisions of 20-9-370 or the district's current year debt service obligations on bonds that

1 qualify under the provisions of 20-9-370(3).

2 (2) The state advance for school facilities for a district is determined as follows:

3 (a) Calculate the percentage of the district's debt service payment that will be advanced by the state
4 using the district ANB, the district mill value and the statewide mill value for the current year, and the percentage
5 used to determine the proportionate share of state reimbursement for school facilities in the prior year.

6 (b) Multiply the percentage determined in subsection (2)(a) by the lesser of the total school facility
7 entitlement calculated under the provisions of 20-9-370 or the district's current year debt service obligation for
8 bonds to which the state advance applies.

9 (3) Within the available appropriation, the superintendent of public instruction shall first distribute to
10 eligible districts the state advance for school facilities. From the remaining appropriation, the superintendent shall
11 distribute to eligible districts the state reimbursement for school facilities.

12 (4) The trustees of a district may apply the state reimbursement for school facilities to reduce the levy
13 requirement in the ensuing school fiscal year for all outstanding bonded indebtedness on bonds sold in the debt
14 service fund of the district after July 1, 1994. The trustees may apply the state advance for school facilities to
15 reduce the levy requirement in the current school fiscal year for debt service payments on bonds to which the
16 state advance for school facilities applies."

17

18 ~~Section 4. Section 20-10-101, MCA, is amended to read:~~

19 ~~"20-10-101. Definitions. As used in this title, unless the context clearly indicates otherwise, the~~
20 ~~following definitions apply:~~

21 ~~(1) "Bus route" means a route approved by the board of trustees of a school district and by the county~~
22 ~~transportation committee.~~

23 ~~(2) "Eligible transportee" means a public school pupil who:~~

24 ~~(a) is 5 years of age or older and has not reached the age of 21 on or before September 10 of the~~
25 ~~current school year or who is a preschool child with a disability between the ages of 3 and 6;~~

26 ~~(b) is a resident of the state of Montana;~~

27 ~~(c) regardless of district and county boundaries:~~

28 ~~(i) resides at least 3 miles, over the shortest practical route, from the nearest operating public~~
29 ~~elementary school or public high school, whichever the case may be; or~~

30 ~~(ii) has transportation identified as a related service in an individualized education program as developed~~

1 and implemented in accordance with the Individuals With Disabilities Education Act, 20 U.S.C. 1400, et seq.;

2 and

3 ~~_____ (d) is considered to reside with a parent or guardian who maintains legal residence within the~~

4 ~~boundaries of the district furnishing the transportation regardless of where the eligible transportee actually lives~~

5 ~~when attending school.~~

6 ~~_____ (3) "Passenger seating position" means, as defined in 49 CFR 571.222, the space on a school bus~~

7 ~~allocated for one passenger.~~

8 ~~_____ (4) (a) "School bus" means, except as provided in subsection (4)(b), any motor vehicle that:~~

9 ~~_____ (i) complies with the bus standards established by the board of public education as verified by the~~

10 ~~department of justice's semiannual inspection of school buses and the superintendent of public instruction; and~~

11 ~~_____ (ii) is owned by a district or other public agency and operated for the transportation of pupils to or from~~

12 ~~school or owned by a carrier under contract with a district or public agency to provide transportation of pupils~~

13 ~~to or from school.~~

14 ~~_____ (b) A school bus does not include a vehicle that is:~~

15 ~~_____ (i) privately owned and not operated for compensation under this title;~~

16 ~~_____ (ii) privately owned and operated for reimbursement under 20-10-142;~~

17 ~~_____ (iii) either district-owned or privately owned, designed to carry not more than nine passengers, and used~~

18 ~~to transport pupils to or from activity events or to transport pupils to their homes in case of illness or other~~

19 ~~emergency situations; or~~

20 ~~_____ (iv) an over-the-road passenger coach used only to transport pupils to activity events.~~

21 ~~_____ (5) "Transportation" means:~~

22 ~~_____ (a) a district's conveyance of a pupil by a school bus between the pupil's legal residence or an officially~~

23 ~~designated bus stop and the school designated by the trustees for the pupil's attendance; or~~

24 ~~_____ (b) "individual transportation" by which a district is relieved of actually conveying a pupil. Individual~~

25 ~~transportation may include paying the parent or guardian for conveying the pupil, reimbursing the parent or~~

26 ~~guardian for the pupil's board and room, or providing supervised correspondence study or supervised home~~

27 ~~study.~~

28 ~~_____ (6) "Transportation service area" means the geographic area of responsibility for school bus~~

29 ~~transportation for each district that operates a school bus transportation program.~~

30 ~~_____ (7) "Weighted ridership" means the sum of the passenger points assigned to the eligible transportees~~

1 who are transported on a bus route."

2

3 ~~Section 5. Section 20-10-141, MCA, is amended to read:~~

4 ~~"20-10-141. Schedule of maximum reimbursement by mileage rates. (1) The following mileage rates~~
 5 ~~in subsection (2) for school transportation constitute the maximum reimbursement to districts for school~~
 6 ~~transportation from state and county sources of transportation revenue under the provisions of 20-10-145 and~~
 7 ~~20-10-146. These rates may not limit the amount that a district may budget in its transportation fund budget in~~
 8 ~~order to provide for the estimated and necessary cost of school transportation during the ensuing school fiscal~~
 9 ~~year. All bus miles traveled on bus routes approved by the county transportation committee are reimbursable.~~
 10 ~~Nonbus mileage is reimbursable for a vehicle driven by a bus driver to and from an overnight location of a school~~
 11 ~~bus when the location is more than 10 miles from the school. A district may approve additional bus or nonbus~~
 12 ~~miles within its own district or approved service area but may not claim reimbursement for the mileage. Any~~
 13 ~~vehicle, the operation of which is reimbursed for bus mileage under the rate provisions of this schedule, must~~
 14 ~~be a school bus, as defined by this title, driven by a qualified driver on a bus route approved by the county~~
 15 ~~transportation committee and the superintendent of public instruction.~~

16 ~~(2) (a) The rate per for each bus mile traveled must be determined in accordance with the following~~
 17 ~~schedule when the weighted ridership assigned to a bus route is not less than one-half of the rated capacity of~~
 18 ~~the school bus:~~

19 ~~(a)(i) 85 95 cents per bus mile for a school bus with a rated capacity of not more than 45 49 passenger~~
 20 ~~seating positions;~~

21 ~~(ii) \$1.15 for a school bus with a rated capacity of 50 to 59 passenger seating positions;~~

22 ~~(iii) \$1.36 for a school bus with a rated capacity of 60 to 69 passenger seating positions;~~

23 ~~(iv) \$1.57 for a school bus with a rated capacity of 70 to 79 passenger seating positions; and~~

24 ~~(v) \$1.80 for a school bus with 80 or more passenger seating positions;~~

25 ~~(b) when the rated capacity is more than 45 passenger seating positions, an additional 2.13 cents per~~
 26 ~~bus mile for each additional passenger seating position in the rated capacity in excess of 45 must be added to~~
 27 ~~a base rate of 85 cents per bus mile Nonbus mileage, as provided in subsection (1), must be reimbursed at a~~
 28 ~~rate of 50 cents a mile.~~

29 ~~(3) Reimbursement for nonbus mileage provided for in subsection (1) may not exceed 50% of the~~
 30 ~~maximum reimbursement rate determined under subsection (2).~~

1 ~~———— (4) When the weighted ridership assigned to a bus route is less than one-half of the rated capacity of~~
 2 ~~the school bus, the rate per bus mile traveled must be computed as follows:~~

3 ~~———— (a) determine the weighted ridership assigned to the bus route;~~

4 ~~———— (b) multiply the number determined in subsection (4)(a) by two; and~~

5 ~~———— (c) use the adjusted rated capacity determined in subsection (4)(b) as the rated capacity of the bus to~~
 6 ~~determine the rate per bus mile traveled from the rate schedule in subsection (2).~~

7 ~~———— (5)(3) The rated capacity is the number of passenger seating positions of a school bus as determined~~
 8 ~~under the policy adopted by the board of public education. If modification of a school bus to accommodate pupils~~
 9 ~~with disabilities reduces the rated capacity of the bus, the reimbursement to a district for pupil transportation is~~
 10 ~~based on the rated capacity of the bus prior to modification.~~

11 ~~———— (6)(4) The number of pupils riding the school bus may not exceed the passenger seating positions of~~
 12 ~~the bus."~~

13

14 **SECTION 7. SECTION 20-9-501, MCA, IS AMENDED TO READ:**

15 **"20-9-501. Retirement costs and retirement fund.** (1) The trustees of a district or the management
 16 board of a cooperative employing personnel who are members of the teachers' retirement system or the public
 17 employees' retirement system or who are covered by unemployment insurance or who are covered by any
 18 federal social security system requiring employer contributions shall establish a retirement fund for the purposes
 19 of budgeting and paying the employer's contributions to the systems as provided in subsection (2)(a). The
 20 district's or the cooperative's contribution for each employee who is a member of the teachers' retirement system
 21 must be calculated in accordance with Title 19, chapter 20, part 6. The district's or the cooperative's contribution
 22 for each employee who is a member of the public employees' retirement system must be calculated in
 23 accordance with 19-3-316. The district's or the cooperative's contributions for each employee covered by any
 24 federal social security system must be paid in accordance with federal law and regulation. The district's or the
 25 cooperative's contribution for each employee who is covered by unemployment insurance must be paid in
 26 accordance with Title 39, chapter 51, part 11.

27 (2) (a) The district or the cooperative shall pay the employer's contributions to the retirement, federal
 28 social security, and unemployment insurance systems from the retirement fund for the following:

29 (i) a district employee whose salary and health-related benefits, if any health-related benefits are
 30 provided to the employee, are paid from state or local funding sources;

1 (ii) a cooperative employee whose salary and health-related benefits, if any health-related benefits are
 2 provided to the employee, are paid from the cooperative's interlocal agreement fund if the fund is supported
 3 solely from districts' general funds and state special education allowable cost payments pursuant to 20-9-321;

4 and

5 (iii) a district employee whose salary and health-related benefits, if any health-related benefits are
 6 provided to the employee, are paid from the district's school food services fund provided for in 20-10-204.

7 (b) For an employee whose benefits are not paid from the retirement fund, the district or the cooperative
 8 shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance
 9 systems from the funding source that pays the employee's salary.

10 ~~(2)~~(3) The trustees of a district required to make a contribution to a system referred to in subsection (1)
 11 shall include in the retirement fund of the final budget the estimated amount of the employer's contribution. After
 12 the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the
 13 systems in accordance with the financial administration provisions of this title.

14 ~~(3)~~(4) When the final retirement fund budget has been adopted, the county superintendent shall
 15 establish the levy requirement by:

16 (a) determining the sum of the money available to reduce the retirement fund levy requirement by
 17 adding:

18 (i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal
 19 year;

20 (ii) oil and natural gas production taxes;

21 (iii) coal gross proceeds taxes under 15-23-703;

22 (iv) countywide school retirement block grants distributed under section 245, Chapter 574, Laws of 2001;

23 (v) any fund balance available for reappropriation as determined by subtracting the amount of the
 24 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal
 25 year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating
 26 reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year and
 27 must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement
 28 fund budget.

29 (vi) any other revenue anticipated that may be realized in the retirement fund during the ensuing school
 30 fiscal year, excluding any guaranteed tax base aid.

1 (b) notwithstanding the provisions of subsection ~~(8)~~ (9), subtracting the money available for reduction
 2 of the levy requirement, as determined in subsection ~~(3)(a)~~ (4)(a), from the budgeted amount for expenditures
 3 in the final retirement fund budget.

4 ~~(4)~~(5) The county superintendent shall:

5 (a) total the net retirement fund levy requirements separately for all elementary school districts, all high
 6 school districts, and all community college districts of the county, including any prorated joint district or special
 7 education cooperative agreement levy requirements; and

8 (b) report each levy requirement to the county commissioners on the fourth Monday of August as the
 9 respective county levy requirements for elementary district, high school district, and community college district
 10 retirement funds.

11 ~~(5)~~(6) The county commissioners shall fix and set the county levy or district levy in accordance with
 12 20-9-142.

13 ~~(6)~~(7) The net retirement fund levy requirement for a joint elementary district or a joint high school
 14 district must be prorated to each county in which a part of the district is located in the same proportion as the
 15 district ANB of the joint district is distributed by pupil residence in each county. The county superintendents of
 16 the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided
 17 in 20-9-151.

18 ~~(7)~~(8) The net retirement fund levy requirement for districts that are members of special education
 19 cooperative agreements must be prorated to each county in which the district is located in the same proportion
 20 as the special education cooperative budget is prorated to the member school districts. The county
 21 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each
 22 county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net
 23 retirement fund levy for each county in the same manner as provided in 20-9-152.

24 ~~(8)~~(9) The county superintendent shall calculate the number of mills to be levied on the taxable property
 25 in the county to finance the retirement fund net levy requirement by dividing the amount determined in
 26 subsection ~~(4)(a)~~ (5)(a) by the sum of:

27 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified
 28 by the superintendent of public instruction; and

29 (b) the taxable valuation of the district divided by 1,000.

30 ~~(9)~~(10) The levy for a community college district may be applied only to property within the district."

1

2 **SECTION 8. SECTION 20-9-542, MCA, IS AMENDED TO READ:**

3 **"20-9-542. School flexibility account -- distribution of funds.** (1) There is a school flexibility account
4 in the state special revenue fund. The superintendent of public instruction shall allocate the money in the
5 account, including any interest earned on money allocated to the account, to each school district. Each school
6 district's total allocation is the sum of the district K-12 public school funding amount, the district large K-12 public
7 school funding amount, and the district student funding amount.

8 (2) In addition to funds allocated or appropriated to the school flexibility account, all money saved by
9 the state if the actual statewide ANB in a given fiscal year is less than the statewide ANB projected by the
10 legislature during the preceding legislative session must be deposited in the school flexibility account.

11 (3) A portion of the money in the school flexibility account may be expended by a district to alleviate
12 certified staff shortages in the district or for retirement incentives only if a portion of the account is specified for
13 that purpose in a general appropriation act."

14

15 **SECTION 9. SECTION 20-10-101, MCA, IS AMENDED TO READ:**

16 **"20-10-101. Definitions.** As used in this title, unless the context clearly indicates otherwise, the
17 following definitions apply:

18 (1) "Bus route" means a route approved by the board of trustees of a school district and by the county
19 transportation committee.

20 (2) "Eligible transportee" means a public school pupil who:

21 (a) is 5 years of age or older and has not reached the age of 21 on or before September 10 of the
22 current school year or who is a preschool child with a disability between the ages of 3 and 6;

23 (b) is a resident of the state of Montana;

24 (c) regardless of district and county boundaries:

25 (i) resides at least 3 miles, over the shortest practical route, from the nearest operating public
26 elementary school or public high school, whichever the case may be; or

27 (ii) has transportation identified as a related service in an individualized education program as developed
28 and implemented in accordance with the Individuals With Disabilities Education Act, 20 U.S.C. 1400, et seq.;

29 and

30 (d) is considered to reside with a parent or guardian who maintains legal residence within the

1 boundaries of the district furnishing the transportation regardless of where the eligible transportee actually lives
2 when attending school.

3 (3) "Passenger seating position" means, as defined in 49 CFR 571.222, the space on a school bus
4 allocated for one passenger.

5 (4) (a) "School bus" means, except as provided in subsection (4)(b), any motor vehicle that:

6 (i) complies with the bus standards established by the board of public education as verified by the
7 department of justice's semiannual inspection of school buses and the superintendent of public instruction; and

8 (ii) is owned by a district or other public agency and operated for the transportation of pupils to or from
9 school or owned by a carrier under contract with a district or public agency to provide transportation of pupils
10 to or from school.

11 (b) A school bus does not include a vehicle that is:

12 (i) privately owned and not operated for compensation under this title;

13 (ii) privately owned and operated for reimbursement under 20-10-142;

14 (iii) either district-owned or privately owned, designed to carry not more than nine passengers, and used
15 to transport pupils to or from activity events or to transport pupils to their homes in case of illness or other
16 emergency situations; or

17 (iv) an over-the-road passenger coach used only to transport pupils to activity events.

18 (5) "Transportation" means:

19 (a) a district's conveyance of a pupil by a school bus between the pupil's legal residence or an officially
20 designated bus stop and the school designated by the trustees for the pupil's attendance; or

21 (b) "individual transportation" by which a district is relieved of actually conveying a pupil. Individual
22 transportation may include paying the parent or guardian for conveying the pupil, reimbursing the parent or
23 guardian for the pupil's board and room, or providing supervised correspondence study or supervised home
24 study.

25 (6) "Transportation service area" means the geographic area of responsibility for school bus
26 transportation for each district that operates a school bus transportation program.

27 ~~(7) "Weighted ridership" means the sum of the passenger points assigned to the eligible transportees~~
28 ~~who are transported on a bus route."~~

29

30 **SECTION 10. SECTION 20-10-141, MCA, IS AMENDED TO READ:**

1 **"20-10-141. Schedule of maximum reimbursement by mileage rates.** (1) The following mileage rates
 2 in subsection (2) for school transportation constitute the maximum reimbursement to districts for school
 3 transportation from state and county sources of transportation revenue under the provisions of 20-10-145 and
 4 20-10-146. These rates may not limit the amount that a district may budget in its transportation fund budget in
 5 order to provide for the estimated and necessary cost of school transportation during the ensuing school fiscal
 6 year. All bus miles traveled on bus routes approved by the county transportation committee are reimbursable.
 7 Nonbus mileage is reimbursable for a vehicle driven by a bus driver to and from an overnight location of a school
 8 bus when the location is more than 10 miles from the school. A district may approve additional bus or nonbus
 9 miles within its own district or approved service area but may not claim reimbursement for the mileage. Any
 10 vehicle, the operation of which is reimbursed for bus mileage under the rate provisions of this schedule, must
 11 be a school bus, as defined by this title, driven by a qualified driver on a bus route approved by the county
 12 transportation committee and the superintendent of public instruction.

13 (2) (a) The rate ~~per~~ for each bus mile traveled must be determined in accordance with the following
 14 schedule ~~when the weighted ridership assigned to a bus route is not less than one-half of the rated capacity of~~
 15 ~~the school bus:~~

16 ~~(a)(i)~~ 85 95 cents per bus mile for a school bus with a rated capacity of not more than ~~45 49~~ passenger
 17 seating positions;

18 (ii) \$1.15 for a school bus with a rated capacity of 50 to 59 passenger seating positions;

19 (iii) \$1.36 for a school bus with a rated capacity of 60 to 69 passenger seating positions;

20 (iv) \$1.57 for a school bus with a rated capacity of 70 to 79 passenger seating positions; and

21 (v) \$1.80 for a school bus with 80 or more passenger seating positions.

22 ~~(b) when the rated capacity is more than 45 passenger seating positions, an additional 2.13 cents per~~
 23 ~~bus mile for each additional passenger seating position in the rated capacity in excess of 45 must be added to~~
 24 ~~a base rate of 85 cents per bus mile~~ Nonbus mileage, as provided in subsection (1), must be reimbursed at a
 25 rate of 50 cents a mile.

26 ~~(3) Reimbursement for nonbus mileage provided for in subsection (1) may not exceed 50% of the~~
 27 ~~maximum reimbursement rate determined under subsection (2).~~

28 ~~(4) When the weighted ridership assigned to a bus route is less than one-half of the rated capacity of~~
 29 ~~the school bus, the rate per bus mile traveled must be computed as follows:~~

30 ~~(a) determine the weighted ridership assigned to the bus route;~~

1 ~~_____ (b) multiply the number determined in subsection (4)(a) by two; and~~
 2 ~~_____ (c) use the adjusted rated capacity determined in subsection (4)(b) as the rated capacity of the bus to~~
 3 ~~determine the rate per bus mile traveled from the rate schedule in subsection (2).~~

4 ~~(5)(3)~~ The rated capacity is the number of passenger seating positions of a school bus as determined
 5 under the policy adopted by the board of public education. If modification of a school bus to accommodate pupils
 6 with disabilities reduces the rated capacity of the bus, the reimbursement to a district for pupil transportation is
 7 based on the rated capacity of the bus prior to modification.

8 ~~(6)(4)~~ The number of pupils riding the school bus may not exceed the passenger seating positions of
 9 the bus."

10

11 **Section 11.** Section 25, Chapter 13, Laws of 2002, is amended to read:

12 **"Section 25.** Section 244, Chapter 574, Laws of 2001, is amended to read:

13 **"Section 244. School district block grants.** (1) (a) The office of public instruction shall provide a block
 14 grant to each school district based on the revenue received by each district in fiscal year 2001 from vehicle taxes
 15 and fees, corporate license taxes paid by financial institutions, aeronautics fees, state land payments in lieu of
 16 taxes, and property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws
 17 of 1999.

18 (b) Block grants must be calculated using the electronic reporting system that is used by the office of
 19 public instruction and school districts. The electronic reporting system must be used to allocate ~~a portion~~ of the
 20 block grant amount into each district's ~~fiscal year 2002~~ budget as an anticipated revenue source by fund.

21 (c) With the exception of vehicle taxes and fees, the office of public instruction shall use the amount
 22 actually received from the sources listed in subsection (1)(a) in fiscal year 2001 in its calculation of the block
 23 grant for fiscal year 2002 budgeting purposes. For vehicle taxes and fees, the office of public instruction shall
 24 use 93.4% of the amount actually received in fiscal year 2001 in calculating the block grant for fiscal year 2002.

25 (2) If the ~~biennial~~ fiscal year 2003 appropriation provided in [section 248(1)] is insufficient to fund the
 26 school district block grants in fiscal year 2003 at the fiscal year 2002 level, the office of public instruction shall
 27 prorate the block grants to meet the remaining appropriation. School districts shall anticipate the prorated block
 28 grant amounts provided by the office of public instruction in their budgets for fiscal year 2003.

29 (3) Each year, 70% of each district's block grant must be distributed in November and 30% of each
 30 district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed. If

1 the appropriation for block grants is greater than or less than the amount received by schools from the sources
 2 enumerated in subsection (1), the office of public instruction shall prorate the amount appropriated based upon
 3 the fiscal year 2001 revenue.

4 (4) (a) ~~The average amount of the block grants in fiscal years 2002 and 2003 must be increased by~~
 5 ~~0.76% in fiscal year 2004 and in each succeeding fiscal year. The block grant for the district general fund is~~
 6 ~~equal to the average amount received in fiscal years 2002 and 2003 by the district general fund from the block~~
 7 ~~grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in~~
 8 ~~each succeeding fiscal year.~~

9 (b) ~~The block grant for the district transportation fund is equal to one-half of ONE-HALF OF the average~~
 10 ~~amount received in fiscal years 2002 and 2003 by the district transportation fund from the block grants provided~~
 11 ~~for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding~~
 12 ~~fiscal year.~~

13 (c) (i) ~~The combined fund block grant for the district tuition, bus depreciation reserve, building reserve,~~
 14 ~~nonoperating, and adult education funds is equal to the average amount received in fiscal years 2002 and 2003~~
 15 ~~by the district tuition, bus depreciation reserve, building reserve, nonoperating, and adult education funds from~~
 16 ~~the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004~~
 17 ~~and in each succeeding fiscal year.~~

18 (ii) ~~The school district may deposit the combined fund block grant into any district BUDGETED fund that~~
 19 ~~received block grants in fiscal years 2002 and 2003, except the debt service fund OF THE DISTRICT."~~

21 **SECTION 12. SECTION 26, CHAPTER 13, SPECIAL LAWS OF AUGUST 2002, IS AMENDED TO READ:**

22 **"Section 26.** Section 245, Chapter 574, Laws of 2001, is amended to read:

23 **"Section 245. Countywide school retirement block grants.** (†) The office of public instruction shall
 24 distribute one-half of the amount appropriated for countywide school retirement in November and the remainder
 25 in May. The total amount for each county is as follows:

	FY 2002	FY 2002	FY 2003	FY 2003
	Elementary	High School	Elementary	High School
	Payment	Payment	Payment	Payment
29 Beaverhead	\$86,692	\$50,789	\$87,354 <u>\$55,503</u>	\$51,175 <u>\$41,981</u>
30 Big Horn	62,668	36,963	63,144 <u>95,018</u>	37,244 <u>33,837</u>

1	Blaine	61,160	10,193	61,624 <u>46,318</u>	40,274 <u>81,109</u>
2	Broadwater	0	92,686	0	93,390 <u>34,949</u>
3	Carbon	43,451	82,110	43,782 <u>72,602</u>	82,734 <u>58,957</u>
4	Carter	9,751	5,453	9,825 <u>8,478</u>	5,495 <u>6,155</u>
5	Cascade	349,056	192,848	351,709 <u>282,266</u>	194,314 <u>142,282</u>
6	Chouteau	75,384	41,034	75,957 <u>58,455</u>	41,346 <u>29,474</u>
7	Custer	78,925	36,930	79,525 <u>57,608</u>	37,211 <u>32,128</u>
8	Daniels	0	37,994	0	38,283 <u>36,083</u>
9	Dawson	85,568	38,722	86,219 <u>64,693</u>	39,016 <u>24,827</u>
10	Deer Lodge	39,980	17,059	40,284 <u>34,455</u>	17,189 <u>16,807</u>
11	Fallon	0	0	0	0 <u>30,444</u>
12	Fergus	119,028	78,809	119,932 <u>90,464</u>	79,408 <u>55,527</u>
13	Flathead	558,861	296,410	563,108 <u>530,274</u>	298,662 <u>268,731</u>
14	Gallatin	383,035	181,743	385,946 <u>537,244</u>	183,125 <u>107,717</u>
15	Garfield	12,337	10,170	12,434 <u>12,100</u>	10,247 <u>4,620</u>
16	Glacier	79,924	34,016	80,532 <u>106,815</u>	34,275 <u>10,494</u>
17	Golden Valley	0	16,716	0	16,843 <u>14,492</u>
18	Granite	14,074	48,026	14,180 <u>12,523</u>	48,391 <u>30,727</u>
19	Hill	142,867	82,538	143,953 <u>59,593</u>	83,165 <u>35,211</u>
20	Jefferson	116,679	59,523	117,565 <u>143,901</u>	59,976 <u>59,690</u>
21	Judith Basin	6,149	21,359	6,196 <u>4,744</u>	21,521 <u>30,198</u>
22	Lake	173,584	139,990	174,903 <u>156,485</u>	141,054 <u>103,365</u>
23	Lewis & Clark	344,112	211,726	346,728 <u>370,958</u>	213,335 <u>173,847</u>
24	Liberty	20,144	16,786	20,297 <u>3,067</u>	16,914 <u>31,953</u>
25	Lincoln	73,001	98,835	73,556 <u>61,499</u>	99,586 <u>87,710</u>
26	Madison	0	103,163	0 <u>4,891</u>	103,947 <u>19,788</u>
27	McCone	23,214	15,824	23,390 <u>21,778</u>	15,945 <u>14,004</u>
28	Meagher	13,654	10,678	13,758 <u>9,250</u>	10,759 <u>9,492</u>
29	Mineral	0	32,206	0	32,451 <u>33,292</u>
30	Missoula	487,129	362,756	490,832 <u>587,637</u>	365,513 <u>357,669</u>

1	Musselshell	30,675	21,577	30,908 <u>48,959</u>	21,744 <u>41,250</u>
2	Park	154,192	81,696	155,364 <u>135,256</u>	82,317 <u>78,135</u>
3	Petroleum	0	16,897	0	17,026 <u>9,510</u>
4	Phillips	10,502	95,084	10,582 <u>103,747</u>	95,806 <u>54,728</u>
5	Pondera	79,805	60,307	80,414 <u>18,821</u>	60,765 <u>47,629</u>
6	Powder River	18,815	15,011	18,958 <u>0</u>	15,125 <u>0</u>
7	Powell	69,695	22,666	70,225 <u>71,420</u>	22,838 <u>30,458</u>
8	Prairie	0	26,791	0	26,995 <u>21,945</u>
9	Ravalli	85,333	169,769	85,984 <u>2,062</u>	171,059 <u>40,316</u>
10	Richland	83,671	30,302	84,307 <u>15,500</u>	30,533 <u>26,650</u>
11	Roosevelt	71,090	60,329	71,630 <u>96,278</u>	60,787 <u>61,038</u>
12	Rosebud	359,662	286,411	362,395 <u>475,055</u>	288,588 <u>126,246</u>
13	Sanders	203,863	127,694	205,413 <u>197,286</u>	128,665 <u>14,442</u>
14	Sheridan	0	46,231	0	46,583 <u>47,628</u>
15	Silver Bow	249,821	141,541	251,719 <u>193,304</u>	142,617 <u>119,358</u>
16	Stillwater	91,487	75,926	92,182 <u>91,185</u>	76,503 <u>51,769</u>
17	Sweet Grass	36,996	36,327	37,277 <u>24,214</u>	36,603 <u>12,316</u>
18	Teton	57,760	41,547	58,199 <u>45,217</u>	41,863 <u>40,769</u>
19	Toole	43,323	51,399	43,652 <u>36,109</u>	51,790 <u>73,362</u>
20	Treasure	0	18,947	0	19,091 <u>16,243</u>
21	Valley	15,824	90,532	15,944 <u>10,558</u>	91,220 <u>143,204</u>
22	Wheatland	20,946	12,103	21,105 <u>15,031</u>	12,195 <u>12,109</u>
23	Wibaux	0	14,585	0	14,696 <u>25,103</u>
24	Yellowstone	1,125,488	643,136	1,134,042 <u>1,070,887</u>	648,024 <u>612,203</u>
25	Total	6,269,374	4,650,865	6,317,022 <u>6,139,506</u>	4,686,212 <u>3,723,973</u>

26 (2) ~~The average amount of the block grants in fiscal years 2002 and 2003 must be increased by 0.76%~~
 27 ~~in fiscal year 2004 and in each succeeding fiscal year."~~

28

29 **NEW SECTION. Section 13. Repealer.** Sections 20-10-127 and 20-10-128, MCA, are repealed.

30

1 NEW SECTION. SECTION 14. EXTENSION OF SCHOOL ELECTION DEADLINES. IN ORDER TO ALLOW FOR THE
 2 ORDERLY AND EFFICIENT CONDUCT OF THE REGULAR SCHOOL ELECTIONS SCHEDULED FOR MAY 6, 2003, IT MAY NOT BE
 3 POSSIBLE TO COMPLY WITH CERTAIN STATUTORY DEADLINES RELATING TO A SCHOOL ELECTION. THEREFORE, IN 2003
 4 ONLY, A SCHOOL DISTRICT MAY LIMIT THE REGULAR SCHOOL ELECTION SCHEDULED FOR MAY 6, 2003, TO TRUSTEE
 5 ELECTIONS ONLY AND MAY RESCHEDULE A SINGLE GENERAL FUND OPERATING LEVY ELECTION AT ANY TIME PRIOR TO THE
 6 ADOPTION OF A FINAL BUDGET PURSUANT TO 20-9-131. IN ADDITION, ALL STATUTORY DEADLINES FOR THE MAY 6, 2003,
 7 REGULAR SCHOOL ELECTION THAT FALL ON OR BEFORE APRIL 18 ARE EXTENDED TO APRIL 28, 2003, EXCEPT THAT THE
 8 TIMELINE FOR POSTING THE ELECTION NOTICE IS CHANGED TO APRIL 28, 2003, THROUGH MAY 2, 2003.

9
 10 NEW SECTION. SECTION 15. RESTRICTIONS ON RETIREMENT FUND FOR FISCAL YEAR 2004. (1) FOR SCHOOL
 11 FISCAL YEAR 2004, THE AMOUNT THAT A SCHOOL DISTRICT OR COOPERATIVE MAY CHARGE TO THE RETIREMENT FUND FOR
 12 THE EMPLOYER'S CONTRIBUTIONS TO THE RETIREMENT, FEDERAL SOCIAL SECURITY, AND UNEMPLOYMENT INSURANCE
 13 SYSTEMS FOR ALL EMPLOYEES WHOSE SALARIES ARE PAID FROM A FEDERAL FUNDING SOURCE IS LIMITED TO THE AMOUNT
 14 THAT THE DISTRICT OR COOPERATIVE CHARGED TO THE RETIREMENT FUND FOR THOSE SAME PURPOSES FOR THE SAME
 15 GROUP OF EMPLOYEES IN SCHOOL FISCAL YEAR 2003.

16 (2) THE RESTRICTION IN SUBSECTION (1) DOES NOT APPLY TO EMPLOYEES WHOSE SALARIES ARE PAID FROM
 17 THE DISTRICT'S SCHOOL FOOD SERVICES FUND.

18
 19 NEW SECTION. SECTION 16. CODIFICATION INSTRUCTION. [SECTION 1] IS INTENDED TO BE CODIFIED AS AN
 20 INTEGRAL PART OF TITLE 20, CHAPTER 9, PART 3, AND THE PROVISIONS OF TITLE 20, CHAPTER 9, PART 3, APPLY TO
 21 [SECTION 1].

22
 23 NEW SECTION. Section 17. Effective date DATES -- applicability. ~~[This (1) EXCEPT AS PROVIDED IN~~
 24 ~~SUBSECTIONS (2) AND (3), [THIS act] is effective July 1, 2003, and applies to the school fiscal years beginning on~~
 25 ~~or after July 1, 2003.~~

26 ~~———— (2) [SECTION 1] IS EFFECTIVE JULY 1, 2005.~~

27 ~~———— (3) [SECTIONS 9, 11, AND THIS SECTION] ARE EFFECTIVE ON PASSAGE AND APPROVAL [SECTION 1] IS EFFECTIVE~~
 28 JULY 1, 2004, AND APPLIES TO SCHOOL BUDGETS FOR THE FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2005.

29 (2) [SECTION 2] IS EFFECTIVE JULY 1, 2003, AND APPLIES TO SCHOOL BUDGETS FOR THE SCHOOL FISCAL YEAR
 30 BEGINNING JULY 1, 2003.

